

Time to Start Thinking: America in The Age of Descent. Edward Luce. Grove Press. 2013

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Edward Luce is a highly regarded British journalist who now lives in Washington and is the chief U. S. columnist for the Financial Times. The title of the book is derived from a quote by famed British Nobel Prize winning physicist who famously said to his colleagues “Gentlemen, we have run out of money, so it is time to start thinking.”

Luce sought to develop an overarching assessment of the “current state of America”, which many now see as a country in decline. He traveled widely throughout the country, conducting hundreds of interviews with the important and influential, and with the average citizen about their jobs and their lives. He spoke to corporate executives, small business owners, professional people, academics, and workers on the job about the state of the American economy, its businesses and its governments.

In a very large percentage of these interviews, people emphasized an overwhelming concern: that the political system of the U. S. is no longer living up to its responsibilities and obligations across a wide range of issues both domestic and foreign. Luce is very intense on this problem in a somewhat diplomatic way over government problems, especially in Washington, which is seen almost universally as cowardly, incompetent, painstakingly pig-headed, and seriously stupid. He then explores the adverse consequences of such bad governance on the economy and the national well being. He illustrates in painful detail how bad government has inhibited the private sector, harmed the American middle class, and failed to deal with problems which everybody understands but the government. Luce sees a key problem to be what he sees as the “hollowing

out of the middle class”, and his assessment leans heavily on the stagnation of middle class incomes, the decline of American manufacturing, and the transfer of jobs overseas. Wealth generation is shifting from wages and salaries to income from investment and big business control of huge amounts of wealth generating assets. He expressed the fear about the slowness of economic growth and related job creation. He cites the home mortgage crisis and the growth of credit card debt as evidence that people are forced to drain their savings and provision for retirement to support current spending.

In some cases, Luce’s economic seem a little shaky. For example, he is very telling when he analyses the decline of manufacturing, but less so in dealing with the services sectors of the economy. He sees service jobs as low value, menial, and low paying. But there are millions of superior jobs that the American service economy has created in such occupations as education, information technology, retailing, banking and yes, even in government which Luce seriously derides. These service areas almost all require a higher degree of skill and knowledge than the manufacturing jobs that have declined.

Luce also regards manufacturing jobs created by American firms overseas as American jobs “lost”. But in truth, what is really happening is that the American companies are building factories and hiring workers to sell to the people in those countries. Jobs are not “exported”; they are created near the point of sale, where the real customers are.

Luce goes on to deal with two other crucial aspects of American decline: the malfunctioning of government, and the inferior per-

formance of the American education system, from top to bottom. As one reads Luce's excellent assessments of these two problems, it really seems like he is describing not just American problems but universal problems in countries around the world. The American political heritage has been the uniquely effective form of representative democracy. Luce fears that this heritage is slipping away, even in the U. S., and that it has never really been replicated in many other countries. As he says, "Sometimes it seems that Americans are engaged in some kind of collusion in which voters pretend to elect their lawmakers, and those lawmakers then pretend to govern." Luce does not explicitly say who the real electors are, but around the world, there is a grim pattern of the triumph of heavily funded special interest politics.

Some of the best and most telling assessments in this book deal with the characteristics of bad politics and bad government. Luce does recognize the universal vulnerability of national tax codes to preferment, subsidy, concealment, and escape. He also dwells on the irresistible extrapolation of every government's power to regulate, and he documents how inappropriate, unnecessary, constricting, and seriously costly government regulation retards the pace and range of private sector development. Even fundamentally sound regulations seem to be irresistibly broadened and deepened beyond need or purpose by the machinations of the regulatory mind set. He cites the fact that the U. S. has published more than 70,000 pages of regulations. Other countries count their regulations by the hundreds of thousands.

In a similar vein, Luce cites the laws themselves that have proved to be wasteful, often obsolete, useless, slanted and often even actively destructive. And if the laws are bad, then the implementation of them will be bad. Bad politics makes bad management.

Luce is particularly penetrating when it comes to the relationships between governments and their contractors. He believes that,

to an increasing degree, the U. S. government has shifted its workforce from the traditional Civil Service to one of contractor workforces, which employ cheaper workers, but charge high executive salaries and overhead expenses. He believes that the government's monitors have lost control, making the government vulnerable to a wide range of corrupt practices. According to Luce, the bigger the contractor, the more political clout it possesses and the less the civil servants are able to guard the public's interests. In general, Luce's assessment of the American political scene makes very grim reading, and he concludes by saying: "The Catch-22 of American politics is that the only viable and defensible route to fixing our broken system is through our broken system."

Luce sees that a critical element of the decline of the American condition lies in the pervasive failure of American national education, and he says that the failure starts at the top, with heavy, overstuffed, heavily liberal bureaucracies, and their overwhelming linkage to teachers unions. He expresses serious concern with what teachers teach and what they do not teach. The systems seems to him to be heavily oriented to "feel good" relationships. Every child must be encouraged; no child may be discouraged. The system keeps telling children that they are doing well when they are not. Reality has become threatening. On the other side, Luce reports how "in just one generation, the U. S has fallen from first to ninth in the proportion of young people with advanced degrees", and that ranking continues to plummet.

But what is even more deeply disturbing is that, in an interview with Bill Gates, head of the Gates Foundation which has hugely supported American education, Gates deplored "the lack of good data on which distinguishes a good from a bad teacher". How is this possible? Gates further said "We spend a lot of money on education in this country, and we don't measure properly how it is spent. Gates is surely right, but it simply exposes the absolute bankruptcy of the leadership in the Amer-

ican education system.

Yet Luce properly points out the weakness of the reliance on “data”. In truth, if one wants to know what really constitutes good teaching, ask good teachers. He points out the sterility of “data” by quoting Albert Einstein who famously observed “Not everything that can be counted counts, and not everything that counts can be counted. What should our schools emphasize? Not just self esteem or a false sense of worth, but competition, reality, choice, and real excellence of performance. The issue is

not cooperation; it is outcome.

Luce did not set out to offer solutions, but to do an outstanding job of reporting and assessment, and in that he has succeeded beautifully. This is an interesting book, and exciting book and one of real value in displaying the real world, not just in America but in any country. Governing badly is easy. Governing well is one of the hardest things that human beings are called upon to do.